

**Background  
Information  
from  
Congressman  
Joe Pitts**



**www.house.gov/pitts  
202 225-2411**

**Friday, July 11, 2003**

**For background only/Not for attribution  
Media Contact: Derek Karchner, +1 (202) 225-2411**

## **Background on Transit Funding**

### **SUMMARY**

Federal funding for transit systems comes through Section 5307 of Title 49 of the US Code.

Transit systems in urbanized areas under 200,000 in population are afforded the flexibility to allow local decision makers to determine the level of funding that is needed for:

1. Capital needs
2. Asset maintenance
3. ADA paratransit needs
4. General operations

Local transit boards and elected officials are able to determine where to invest their Section 5307 federal resources to maximize the benefits of transit investment.

Each transit system is different. They service different regions and populations, so it is important the local decisions makers decide how best to use federal resources.

Transit systems over 200,000 have less flexibility in the use of their federal resources, as they may not use funds for general service maintenance needs.

The larger the system, the less this is a problem as larger systems generally have greater asset maintenance costs and consequently are able to decide the level of investment for capital or asset maintenance needs that best meets their local objectives.

### **THE 200,000-POPULATION THRESHOLD**

Over the past decade, there has been discussion about transit systems using federal resources for general operating costs. There was a strong push to prevent this use of federal resources across the board.

However, it was concluded that smaller systems need greater flexibility in use of federal resources, because other resources (i.e. fares, local funding) are inadequate.

The 200,000-population threshold is found elsewhere in transportation funding measures – being established in the 1970s. In TEA-21, was modified to limit flexibility in the use of transit fund

under Section 5307.

The 200,000-population threshold is a measure of the population density of an urbanized area (UZA). With the release of census data, the US is divided into UZAs.

While the UZA designation has an impact on transportation programs. Transportation systems are not taken into account when determining UZAs.

For example, two counties can be included in one UZA, and that UZA designation may affect a transit system servicing only one county. In other words, while a UZA may be 200,000 in population, a transit system does not necessarily service the entire UZA. This is unfair.

It is important that we recognize that areas that reach the 200,000-population threshold, which is an arbitrary threshold, today are far different than those exceeding 200,000 in the 1970s, when this threshold was established.

Areas at that time tended to be larger cities while areas exceeding 200,000 today are far more suburban in nature.

As a result, the operating characteristics of the services provided are much different. The suburban and rural nature of these systems require greater flexibility in the use of federal support, not less, to meet local transit needs.

Since the 200,000-threshold was only adopted for transit funding in TEA-21, many transit systems were unable to prepare for 2000 Census data. First, there was no way to determine the boundaries of the relevant UZA; and second, there was no way for a transit system to gauge population growth.

With the release of UZA data last year, according to the 2000 Census, many transit systems discovered that they exceeded the 200,000-population threshold.

### **PROTECTION UNDER H.R. 5157 (P.L. 107-232):**

Last year, Congress passed and the President signed into law H.R. 5157, which provided a one-year bridge – through FY 2003 – for transit systems from UZAs that exceeded the population threshold, so that this issue could be properly addressed during the reauthorization of TEA-21.

H.R. 5157 helped ensure that affected transit systems could maintain vital public transit services to the citizens in their local areas.

Unfortunately, this bridge expires on September 30 of this year. If Congress cannot pass a reauthorization bill in time with language to fix this problem for the long term, many transit authorities will face financial crises beginning October 1 of this year.

For this reason, Congressman Joe Pitts is introducing the Transit System Flexibility Protection Act. This bill provides a responsible, fair, and long-term solution to this problem.

### **TRANSIT SYSTEM FLEXIBILITY PROTECTION ACT**

The Transit System Flexibility Protection Act amends Section 5307 of Title 49 of the US Code. It can be divided into two parts:

**Part 1 – Population Size**

**Summary:** This bill raises the UZA population threshold from 200,000 to 360,000. This will provide relief for every transit system that went over the 200,000 threshold (no primary system that went over 200,000 has a population over 360,000). It will also provide transit systems that were already over 200,000, but now under 360,000 to regain flexibility until the next census is complete.

Part 1 of the bill will help about 62 systems across the country including RRTA and BARTA, both in the 16<sup>th</sup> Congressional District.

- 32 primary systems went over the 200,000-population threshold for the first time according to the 2000 Census.
- 30 systems that were between 200,000 and 360,000 prior to the 2000 Census remain so.

**Part 2 – System Size**

**Summary:** The bill states that if a transit system in a UZA exceeds 360,000, but operates less than 100 buses on fixed routes during peak service hours, it is still eligible for this flexibility. The provision protects transit systems from smaller communities that were incorporated into Metropolitan UZAs.

There is precedence for a 100-vehicle threshold. The threshold has become a standard used in the National Transit Database to determine reporting requirements.

The generally occurs for two reasons:

1. Various reports were overly burdensome on systems with less than 100 vehicles
2. Data did not significantly affect the national database, as larger systems were such a high percentage of the national data.

Part 2 of the bill will help about 80 additional transit systems across the country

- 54 small systems across the country that exist in UZAs over 360,000, but are not the primary provider of service in the UZA
- 26 primary systems over 360,000 in population that operate less than 100 buses
- There are 0 primary systems over 1,000,000 in population that operate less than 100 buses.

*The legislation has 11 cosponsors as of Friday, July 11. More are expected to cosponsor prior to introduction.*

# Congress of the United States

Washington, DC 20515

April 10, 2003

The Honorable Don Young  
Chairman  
House Committee on Transportation  
And Infrastructure  
2165 Rayburn HOB  
INSIDE MAIL  
Washington, DC 20515

The Honorable James L. Oberstar  
Ranking Member  
House Committee on Transportation  
And Infrastructure  
2165 Rayburn HOB  
INSIDE MAIL  
Washington, DC 20515

Dear Chairman Young and Ranking Member Oberstar:

We write to request your support for including a provision in the reauthorization of TEA-21 to ensure that transit authorities representing urban areas with a population that exceeded 200,000 according to the 2000 Census maintain their flexibility in the use of public transit funds.

First, we thank you for your leadership in the passage into law of H.R. 5157 last year. H.R. 5157 provided continued flexibility for one year and is serving as a bridge to Reauthorization. This helped to ensure that affected transit systems could maintain vital public transit services to the citizens in their local areas. Unfortunately, unless that Committee acts to address this issue for the long term, these transit authorities will face financial crises beginning October 1 of this year. It is now important that we consider steps to provide continued flexibility for these systems.

As you know, under current law, transit systems in urbanized areas under 200,000 in population are afforded the flexibility to allow local decision makers to determine the level of funding that is needed for capital, asset maintenance, ADA paratransit, and general operations needs. Local transit boards and elected officials are able to determine where to invest their Section 5307 federal resources to maximize the benefits for the local community.

Transit systems over 200,000 have less flexibility in the use of their federal resources, as they may not use funds for general service maintenance needs. The larger the system, the less this is a problem as larger systems generally have greater asset maintenance costs and consequently are able to decide the level of investment for capital or asset maintenance needs that best meets their local objectives.

It is important that we recognize that areas that reach the 200,000-population threshold, which is an arbitrary threshold, today are far different than those exceeding 200,000 in the 1970's, when this threshold was established. Areas at that time tended to be larger cities while areas exceeding 200,000 today are far more suburban in nature. As a result, the operating characteristics of the services provided are much different. The suburban and rural nature of these systems require greater flexibility in the use of federal support to meet local transit needs.

We, the undersigned, represent cities and towns with a population that exceeded 200,000 according to the 2000 Census. If this issue is not addressed, transit systems serving these areas will lose much of the local flexibility to apply their federal resources to their maximum advantage. These systems are too small to have sufficient asset maintenance costs to give them the full flexibility of their counterparts in larger urbanized areas. At the same time, these systems are often located in some of the fastest growing areas in the country. At the very time these systems require greater flexibility to address the growth needs of their local communities, they will lose the flexibility they now have.

Further, several transit systems representing small urban areas have been incorporated into transit authorities representing large urban areas. The effect of this is that these transit authorities lose their flexibility – because their urban population is combined with that of the larger metropolitan area – yet they must still operate autonomously to provide service to their immediate region. These systems should not be overlooked when searching for a solution to this problem.

There are several options on the table that can address these concerns. One option is to grandfather transit authorities affected by the 2000 Census, including those incorporated into larger metropolitan areas. Another option is to raise the threshold to a level that protects these transit authorities until the next census.

We look forward to the opportunity to work with the Committee to find a solution that is reasonable and effective. If you have any questions or need additional information, please do not hesitate to contact us.

Sincerely,

Joseph R. Putts

T. J. Halder

Bro. Cannon

Ronald A. Mangillo

J. J. Abzug

Danline Horley

Gene Taylor

Misty Madan

Lynn Woolsey

Ellen Davis

Jim Cooper

Mark Foley

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Al D. Hastings

Larry Campbell

Pat Foran

Mike Simpson

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Cc: The Honorable Thomas E. Petri, Chairman, Subcommittee on Highways and Transit  
The Honorable William Lipinski, Ranking Member, Subcommittee on Highways and  
Transit

**Cosigners to 200K Transit Funding Letter**

Joseph R. Pitts

Tim Holden

Robert E. (Bud) Cramer

Donald A Manzullo

Lynn C. Woolsey

Ellen O. Tauscher

James P. McGovern

Mark Foley

Michael C. Burgess

Darlene Hooley

Gene Taylor

Martin T. Meehan

Alcee L. Hastings

Larry Combast

Porter J. Goss

Mike Thompson

**JOSEPH R. PITTS**  
16TH DISTRICT, PENNSYLVANIA

COMMITTEES:  
ENERGY AND COMMERCE  
INTERNATIONAL RELATIONS  
ASSISTANT REPUBLICAN WHIP  
Web Page:  
[www.house.gov/pitts](http://www.house.gov/pitts)

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-3816

GABE NEVILLE—WASHINGTON CHIEF OF STAFF  
TOM TILLET—DISTRICT CHIEF OF STAFF

204 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515  
(202) 225-2411

LANCASTER CO. COURTHOUSE  
50 NORTH DUKE STREET  
LANCASTER, PA 17602  
(717) 393-0667

POST OFFICE BOX 837  
UNIONVILLE, PA 19375  
(610) 429-1540

BERKS COUNTY SERVICES CENTER  
633 COURT STREET, 14TH FLOOR  
READING, PA 19601  
(610) 374-3637

July 9, 2003

# Help Your Local Transit System

## Cosponsor the Transit System Flexibility Protection Act

Dear Colleague,

I write to request that you become an original cosponsor of the Transit System Flexibility Act, which I plan to introduce in the coming days. This legislation will benefit transit systems in your congressional district.

Under current law, transit systems in urbanized areas (UZA) under 200,000 in population are afforded the flexibility to allow local decision makers to determine the level of funding that is needed for capital, asset maintenance, ADA paratransit, and general operations needs. Local transit boards and elected officials are able to determine where to invest their Section 5307 federal resources to maximize the benefits for the local community.

Transit systems over 200,000 have less flexibility in the use of their federal resources, as they may not use funds for general service maintenance needs. The larger the system, the less this is a problem, as larger systems generally have greater asset maintenance costs and consequently are able to decide the level of investment for capital or asset maintenance needs that best meets their local objectives.

It is important that we recognize that areas that reach the 200,000-population threshold, which is an arbitrary threshold, today are far different than those exceeding 200,000 in the 1970's, when this threshold was established. Areas at that time tended to be larger cities while areas exceeding 200,000 today are far more suburban in nature. As a result, the operating characteristics of the services provided are much different. The suburban and rural nature of these systems require greater flexibility in the use of federal support to meet local transit needs.

With the release of UZA data last year, according to the 2000 Census, many transit systems discovered that they exceeded the 200,000-population threshold. UZAs are determined by population density, and therefore, transit systems were unable to accurately anticipate population growth. Yet the implications of the UZA data will result



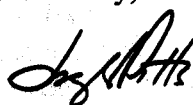
in many transit systems losing flexibility – threatening the financial viability of the system.

Last year, the Congress passed and the President signed into law H.R. 5157, which provided a one-year bridge – through FY 2003 – for transit systems from UZAs that exceeded the population threshold, so that this issue could be properly addressed during the reauthorization of TEA-21. This helped to ensure that affected transit systems could maintain vital public transit services to the citizens in their local areas. Unfortunately, unless that Committee acts to address this issue for the long term, these transit authorities will face financial crises beginning October 1 of this year. It is now important that we consider steps to provide continued flexibility for these systems.

The Transit System Flexibility Protection Act presents a long-term solution to this problem. First, it would raise the population threshold to 360,000. This threshold will protect all transit systems from areas that exceeded 200,000. Second, it would allow transit systems from UZAs that exceed 360,000 in population, but operate less than 100 buses in fixed routes during peak service hours to be eligible for the same flexibility. Several transit systems that exclusively service rural and small communities were absorbed into metropolitan UZAs. Therefore, these small transit systems must abide by regulations established for metropolitan transit systems, even though they do not service the metropolitan area.

This bill is a common sense and fair solution to the existing problem of flexibility in the use of transit funds. I encourage you to become an original cosponsor of this important bill. If you have any questions or need additional information, or if you would like information on which transit system in your district is affected, please contact Ken Miller in my office at x5-2411.

Sincerely,



Joseph R. Pitts  
Member of Congress